

## MarketAxess Submits Comments to CFTC on Core Principles and Other Requirements for Swap Execution Facilities

New York, June 6, 2011 – In response to the CFTC's reopening and extension of comment periods for many proposed rules related to the Dodd-Frank Act, MarketAxess Holdings Inc. (Nasdaq: MKTX), the operator of a leading electronic trading platform for U.S. and European high-grade corporate bonds, emerging markets bonds and other fixed income securities, has submitted a comment letter which is now available on the CFTC's website:

<http://comments.cftc.gov/PublicComments/ViewComment.aspx?id=44598&SearchText=>

The key points raised by MarketAxess are:

### 1. The same regulatory standards should apply for all CDS

We urge the CFTC and SEC to adopt regulatory standards for SEFs and SB SEFs (Security-Based Swap Execution Facilities) that are identical, or as close to identical as possible, especially concerning mandatory trading protocols, such as the SEC's flexible approach on the minimum number of potential counterparties in an RFQ inquiry that would preserve customer choice.

To an overwhelming extent, market participants that trade single-name CDS will also trade broad-based index CDS and vice versa. Both kinds of products operate under the same operational requirements and trading procedures.

### 2. SEF regulations should be among the first to be finalized (with an adequate lead-time for implementation).

As evidenced at the CFTC's recent SEF showcase, SEFs are ready, willing and able to facilitate the execution of swaps.

It has been suggested that the CFTC should first focus upon clearing, however not only does this view fail to credit SEFs for their state of readiness to operate in accordance with Dodd-Frank, but it ignores the contribution of trading to achieving the benefits of central clearing.

### 3. Effective temporary SEF registration is essential to moving swaps onto regulated markets as soon as possible.

By identifying the harmful consequences of delay, the CFTC has underscored the importance of adopting a Temporary Registration process that would permit any qualified applicant flexibility to demonstrate compliance with certain elements of the SEF Core Principles. (See Appendix A for more detailed comments on Temporary Registration).

### 4. A platform that only operates a request-for-quote system should be allowed to register and operate as a SEF.

The CFTC may have intended that its Proposed Rule relating to request-for-quote (RFQ) platforms would not require a SEF that operates an RFQ system to have a central limit order book, but the text of the Rule is not clear. We therefore request that the CFTC clarify the language in its adopting release.

We ask that the CFTC also clarify that a SEF that offers an RFQ system could satisfy the Proposed Rule by providing market participants with the ability to stream quotes on Required Transactions on a centralized electronic screen.

### 5. SEF regulations must promote fair and open competition

Unlike some other prospective SEFs, MarketAxess is not affiliated with any derivatives clearing organization. The CFTC's rules should promote fair and open competition between SEFs.

### 6. The CFTC should consider the SEC's cost estimates, subject to adjustments

MarketAxess believes that, with a few exceptions where adjustments are needed, the SEC's preliminary cost estimates are generally realistic and accurate estimates of the expected costs of establishing and operating an SB SEF, and that these are likely to be comparable to, and thus relevant for, calculation of the costs for a SEF.

## About MarketAxess

MarketAxess operates a leading electronic trading platform that enables investment industry professionals to efficiently

trade corporate bonds and other types of fixed-income instruments. MarketAxess' patented trading technology allows institutional investor clients to request competitive, executable bids or offers from multiple broker-dealers simultaneously, and to execute trades with the broker-dealer of their choice. Over 800 institutional investors are active users of the MarketAxess trading platform, accessing the global liquidity provided by MarketAxess' 81 broker-dealer clients in U.S. high-grade corporate bonds, European bonds, high yield and emerging markets bonds, agency bonds, asset-backed and preferred securities and credit default swaps. MarketAxess also offers a number of trading-related products and services, including: market data to assist clients with trading decisions; connectivity solutions that facilitate straight-through processing; technology services to optimize trading environments; and execution services for exchange-traded fund managers and other clients.

MarketAxess maintains its headquarters in New York and has offices in London, Chicago and Salt Lake City. For more information, please visit <http://www.marketaxess.com/>.